



J. TYLER McCAULEY
AUDITOR-CONTROLLER

**COUNTY OF LOS ANGELES
DEPARTMENT OF AUDITOR-CONTROLLER**

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July 10, 2006

TO: Mayor Michael D. Antonovich
Supervisor Gloria Molina
Supervisor Yvonne B. Burke
Supervisor Zev Yaroslavsky
Supervisor Don Knabe

FROM: J. Tyler McCauley 
Auditor-Controller

SUBJECT: **ENKI HEALTH & RESEARCH SYSTEMS CONTRACT COMPLIANCE
REVIEW**

We have completed a contract compliance review of ENKI Health & Research Systems (ENKI or Agency), a Department of Mental Health Services (DMH) service provider.

Background

DMH contracts with ENKI, a private, non-profit, community-based organization, which provides services to clients countywide. Services include interviewing program participants, assessing their mental health needs, and developing and implementing a treatment plan.

Because the State reviews EPSDT services, our review focused on approved Medi-Cal billings, where DMH paid at least 35% of the total service cost using County General Funds. At ENKI, these services include Targeted Case Management Services, Mental Health Services (MHS), Medication Support Services, Day Treatment Intensive, and Crisis Intervention Services. ENKI's headquarters is located in the Fifth District.

DMH paid ENKI \$132 for each day that a client participated in its Day Rehabilitation program. DMH also paid between \$1.09 and \$3.38 per minute of staff time (\$65.40 to \$202.80 per hour) for other services. For Fiscal Year 2005-06, DMH contracted with ENKI to provide approximately \$24.5 million in services overall.

"To Enrich Lives Through Effective and Caring Service"

Purpose/Methodology

The purpose of the review was to determine whether ENKI provided the services outlined in their contract with the County. We also evaluated whether the Agency achieved planned service levels. Our monitoring visit included a review of a sample of ENKI's billings, participant charts, and personnel and payroll records. We also interviewed staff from ENKI and interviewed a sample of the participants' parents and guardians.

Results of Review

Overall, ENKI provided the services outlined in the County contract. The Agency used qualified staff to perform the services billed and maintained documentation to support the billings. The participants interviewed stated that the services they received met their expectations.

ENKI did not sufficiently document 1,676 (18%) of the 9,226 service minutes sampled. For example, the Agency billed 1,075 minutes for more than one staff present during an intervention, but the Progress Notes did not describe the specific contribution of each staff person. The Agency also billed 617 minutes for MHS, but the Progress Notes did not describe what the client or service staff attempted and/or accomplished towards the client's goal(s).

ENKI operated within its contracted budget of \$25 million. However, within specific service categories, ENKI significantly deviated from contracted services without prior written authorization from DMH as required by the County contract. For example, the Agency discontinued providing Day Rehabilitation services and provided a 57% increase in mental health services.

We have attached the details of our review, along with recommendations for corrective action.

Review of Report

We discussed the results of our review with ENKI on May 1, 2006. In their attached response, ENKI generally agreed with the results of our review and described their corrective actions to address the findings and recommendations contained in the report. ENKI also requested guidance to ensure their services do not deviate from the contract without prior written authorization from DMH. The Agency should consult with DMH and develop definitive procedures to ensure compliance with the contract.

Board of Supervisors
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We thank ENKI management for their cooperation and assistance during this review. Please call me if you have any questions, or your staff may contact Don Chadwick at (626) 293-1102.

JTM:MMO:DC
Attachment

c: David E. Janssen, Chief Administrative Officer
Dr. Marvin J. Southard, Director, Department of Mental Health
Dr. Albert H. Urmer, President, ENKI Health & Research Systems
Public Information Office
Audit Committee

**DEPARTMENT OF MENTAL HEALTH
FISCAL YEAR 2005-2006
ENKI HEALTH & RESEARCH SYSTEMS**

BILLED SERVICES

Objective

Determine whether ENKI Health & Research Systems (ENKI or Agency) provided the services billed in accordance with their contract with Department of Mental Health (DMH).

Verification

We judgmentally selected 9,226 minutes from 575,470 service minutes and ten service days from 383 service days from approved Medi-Cal billings to DMH where at least 35% of the total service cost was paid using County General Funds. For the selected billings, we reviewed the Progress Notes and Client Care Plans maintained in the clients' charts. The 9,226 minutes represent services provided to 73 program participants.

Although we started our review in January 2006, the most current billing information available from DMH's billing system was July and August 2005.

Results

For the billings selected, ENKI provided program services. However, ENKI did not sufficiently document 1,676 (18%) of the 9,226 service minutes sampled. For example, the contractor did not comply with the County contract in the following areas:

- The Agency billed 1,075 minutes in which more than one staff was present during an intervention, but the Progress Notes did not describe the specific contribution of each staff person.
- The Agency billed 617 minutes for Mental Health Services, but the Progress Notes did not describe what the client or service staff attempted and/or accomplished towards the client's goal(s).
- The Agency billed 50 minutes for Targeted Case Management Service, but the Progress Notes does not describe Linkage, consultation, or placement, as required by the Provider Manual.

The total number of insufficiently documented minutes cited above exceeded the number of insufficiently documented minutes reviewed because some of the Progress Notes contained more than one deficiency.

Day Treatment Intensive Program Duration

ENKI operates a Day Treatment Intensive Program at three locations. The contract requires that the program duration exceed four hours excluding lunch, dinner and breaks, in order to bill DMH for a full-day of Day Treatment Intensive service. The Agency maintains program schedules, Progress Notes, and sign-in sheets to document compliance with this requirement.

ENKI's Day Treatment Intensive Program sessions did not exceed the four-hour requirement. ENKI should work with DMH management to determine the amounts over billed for its Day Treatment Intensive Program sessions and repay DMH for any disallowed billings.

Recommendations**ENKI management:**

1. **Maintain sufficient documentation to support its compliance with contract requirements for the services billed to DMH.**
2. **Ensure that the duration of the Day Treatment Intensive Program sessions exceed four hours before billing DMH for a full day.**
3. **Work with DMH management to determine the amounts over billed for its Day Treatment Intensive Program sessions and repay DMH for any disallowed billings.**

CLIENT VERIFICATIONObjectives

Determine whether the program participants actually received the services that ENKI billed DMH.

Verification

We interviewed four participants to confirm that the participants were clients of ENKI and that they received the services that the Agency billed DMH.

Results

The four program participants interviewed stated that they received services from the contractor and the services met their expectations.

Recommendation

There are no recommendations for this section.

STAFFING LEVELS**Objective**

Determine whether the Agency maintained the appropriate staff to client ratio in its La Puente, Covina, and Commerce Day Treatment Intensive Programs. In addition, determine whether each program includes staff from two different disciplines when there are more than 12 participants.

Verification

We selected ten days in July and August 2005 for each Day Treatment Intensive Program and reviewed the staff and client logs. We also reviewed staff timecards.

Results

The Agency maintained the required staff to client ratio. In addition, ENKI provided staff from two different disciplines when more than 12 participants were present.

Recommendation

There are no recommendations for this section.

STAFFING QUALIFICATIONS**Objective**

Determine whether ENKI's treatment staff possessed the required qualifications to provide the services.

Verification

We reviewed the California Board of Behavioral Sciences' website and/or the personnel files for 70 of 293 ENKI treatment staff for documentation to confirm their qualifications.

Results

Each employee in our sample possessed the qualifications required to deliver the services billed.

Recommendation

There are no recommendations for this section.

SERVICE LEVELS**Objective**

Determine whether ENKI's reported service levels varied significantly from the service levels identified in the DMH contract.

Verification

We obtained the Cost Report submitted to DMH by ENKI for Fiscal Year (FY) 2004-05 and compared the dollar amount and billed units of service to the contracted units of service identified in the contract for the same period.

Results

ENKI operated within its contracted amount of \$25 million overall. However, within specific service categories ENKI significantly deviated from contracted services levels without prior written authorization from DMH. Specifically, ENKI exceeded its contracted service levels for Mental Health Services by 2.9 million (57%) units and provided 1.3 million (44%) less TCMS units, 5,700 (32%) less Day Treatment Intensive units, and 148,000 (60%) less Crisis Intervention units than contracted.

In addition, ENKI contracted with DMH to provide 3,085 units of Day Rehabilitation services for FY 2004-05 and 2,560 units for FY 2005-06. However, ENKI did not provide Day Rehabilitation Program services in these FYs and did not obtain prior written authorization from DMH before it determined that it would not provide the service.

Recommendation

4. ENKI management obtain written authorization from DMH prior to deviating from contracted service levels.

ENKI Health & Research Systems, Inc.

(a nonprofit corporation)

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Phone (818) 973-4899 • Fax (818) 973-4888



June 27, 2006

J. Tyler McCauley
Countywide Contract Monitoring Division
Los Angeles County Department of Auditor-Controller
1000 S. Fremont Ave., Unit 51
Alhambra, CA 91803-4737

Subject: Clarification of Auditor-Controller Report

Dear Mr. McCauley,

We appreciated the professionalism of the Auditor-Controller staff and the advanced planning which simplified the audit process.

Our response and clarification references the same sections in the report.

Billed Services

Documentation

Extensive efforts are made to ensure compliance with documentation requirements as per the Organization Providers Manual. The efforts have included mandatory clinical trainings conducted. Written clarification has been provided to staff following the trainings. In particular, Targeted Case Management services have been reviewed extensively with staff by the Quality Assurance department and by the Training Department. Attention has been given to justification of services provided by multiple staff during a service. Staff also receive on-going supervision and training regarding adherence to the client plan and the need to relate all services to treatment objectives, barriers, and functional impairments. Individual staff trainings have also been conducted by the Mental Health Services Specialist from the Training Department. Concurrently, internal audits are conducted throughout all the ENKI clinics to ensure compliance and unit supervisors are responsible for following up with staff in regards to any findings.

Day Treatment Programs

Program Duration

The program utilizes lunch times and "breaks" as part of the treatment process and was therefore included in the treatment time calculation. This has not been an issue in prior audits and therefore not adjusted. We respect the auditor's opinion and have adjusted the program time to exceed the four hour minimum requirement.

Fiscal Adjustment

There should not be any fiscal adjustments as even with the auditors findings the program meets the requirements for Day Treatment Intensive Half Day. The SMA for Half Day is \$139.26 and ENKI reimbursement is \$132.00. The costs are based on prior year expenses for the same services and as the costs do not change there would be only a change in the reporting Service Function code without financial recovery.

Service Levels

The contract service levels are estimates based on two years previous data. In the FY 2004-2005 cost report ENKI provided more mental health services than contracted and less case management than contracted. This was based on client need. ENKI cannot predict the service requirements of any client being admitted to the program. The contract units are based on the Negotiation Package which is our estimate based on prior years experience. While deviations are expected DMH has never defined when and how the requests should be made. In prior years DMH used its own data to request reasons for variations from the Negotiation Package. There is not any definition of "significant" in the contract to determine when contractor has to request DMH approval. Because available data is always two to three months behind service delivery it is difficult to request changes in a timely manner. Additionally if DMH were to deny the change, clients would have to be discharged AMA which legally is considered abandonment and would expose the county to significant liability and possible federal sanctions. We would appreciate the Auditors/Controllers office outlining procedures as to how the approval process should function considering the above parameters. ENKI will comply with workable procedures.

Our detailed plan of correction is attached.

Sincerely,



Albert H. Urmer, Ph.D.
President

AHU:dp

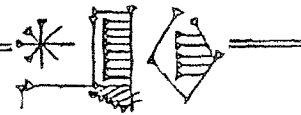
cc: Greg Hellmold

Attachment

ENKI Health & Research Systems, Inc.

(a nonprofit corporation)

3208 Rosemead Boulevard Suite 200 • El Monte, CA 91731
Phone (626) 227-7014 • Fax (626) 227-7015



Date: December 9, 2005

To: All Clinical Staff @ All Sites

From: Michelle Hernandez, MFT
Quality Assurance Coordinator

Re: Clinical Review Training Clarification

Following are some points of clarification from the Clinical Review Trainings provided September – October 2005. Please be aware that these are points of clarification, all the below is effective from this point forward. It is not necessary to change any billing/documentation already submitted unless specified by management staff.

Billing

1. Whenever an entire note is to be voided/replaced/re-written, **DO NOT** remove the note from the chart. The note being voided/replaced/re-written must be lined out, marked "error," initialed, and dated. In the case of a replacement/re-written billing sheet, clinical staff must turn into Medical Records a *copy* of the pink NCR (staff NCR) that is being corrected with a notation of the correction being made. This copy is to be stapled by Medical Records staff to the replacement/re-written yellow NCR (IS NCR) and routed to IS.
2. All staff are required to utilize their name stamp and sign all *progress notes* whether their signature is legible or not. If a new staff person does not have a name stamp, they must print their name in addition to signing until their name stamp is received. This also applies to all required co-signatures on progress notes. Stamps are not required on any other documents such as the CCCP, AAU, or Initial Assessment.
3. All fields of the billing sheets must be filled in. If there is no data to be entered, clinical staff must line out that field. Additionally, all sections of progress notes must have any unused space lined out prior to being turned into Medical Records. Medical Records will not accept any billing sheets that do not have all fields filled and all unused space lined out.
4. If a staff person has an LA County ID, they should enter it on the line for LA County ID on the billing sheets. For all staff without an LA County ID, line out the applicable line.

5. It is required that a person's first **and** last name be printed on the Staff #2 and/or Staff #3 lines of the billing sheets. Within the body of the note, the person's name, discipline and contribution/follow-up to the service must be noted. If there was not a Staff #2 and/or Staff #3 for a service, line out the applicable line(s).
6. When a service is delivered to someone other than the client, it is recommended that the progress note reference that there is Consent to Release Information located under the HIPAA tab. This ensures that Releases are obtained and updated as needed.
7. All services must be directed to the benefit of the client. Although, at times it may be appropriate to provide a service for a family member (such as linking them to resources for another family member) documentation must clearly show how it is related to the client's treatment. For example: a mother of an 8 year old client needs assistance getting WIC for her newborn. It is completely appropriate to link the mother to DPSS for WIC benefits but in the documentation it must state that the referral was given in order to decrease financial stressors in the home that cause stress on the client and therefore an increase in symptoms. Simply stating the mother was referred for WIC does not indicate a benefit to the client. Services that do not benefit the client are not billable to MediCal.

Medical Necessity

8. The Single Fixed Point of Responsibility (SFPR) is the identified agency within the Local Mental Health Plan (LMHP) who is responsible for coordinating services for a client within the LMHP. Each agency additionally identifies a contact person within the agency who is responsible for the coordination. The LA County LMHP is similar to a Medical HMO where a person is given a primary care physician (SFPR) who is the lead for a patient's services and authorizes all specialty services such as referrals to the allergy department, referrals to physical therapy, etc.
9. A Licensed Practitioner of the Healing Arts (LPHA) is anyone who is licensed, registered or waived as a Social Worker, Marriage and Family Therapist, Psychologist, Medical Doctor, Doctor of Osteopathic Medicine, Registered Nurse, Nurse Practitioner, or students (with co-signatures).
10. Medical Necessity is the term used to identify whether a person meets criteria for receiving services within the LMHP which is essential in regards to reimbursement from MediCal. Medical Necessity is met by a person having:
 1. An Included diagnosis – page A-1 of the Organizational Provider's Manual gives a list of the MediCal Included Diagnosis. For the Adult sites, clients must have a Target Population diagnosis as a primary diagnosis.
 2. Functional Impairments
 - a. significant impairment in an important area of life functioning; e.g living situation, daily activities, or social support **OR**
 - b. a probability of significant deterioration in an important area of life functioning **OR**

- c. a probability that a person under 21 years of age will not progress developmentally as individually appropriate
- 3. Interventions
 - a. the focus of the proposed intervention will address the impairments OR
 - b. the expectation that the proposed intervention will: significantly diminish the impairment; or prevent significant deterioration in a particular area; or allow a child to progress developmentally, as individually appropriate OR
 - c. the condition would not be responsive to physical health care based treatment
- 11. Medical Necessity can only be verified by an LPHA. A non-LPHA must reference an LPHA's verification if they are writing the statement of Medical Necessity in the progress notes annually. The verification of Medical Necessity on the CCCP is the date the LPHA verified Medical Necessity.
- 12. Functional impairments are to be defined on the Initial Medical/Service Necessity form and/or the Annual Assessment Update. All CalWORKs clients must have employability as a functional impairment.

Client Care Coordination Plan

- 13. Paperwork cannot be **completed** without the client present, it can only be **started**. Starting paperwork can consist of preparing the forms before a client is scheduled to come in as part of plan development (T1017) or having a phone session to get the client's input (H2015). In each instance, there needs to be a progress note indicating what was done and reflect when the paperwork will be reviewed with the client for their signature. This would allow the staff to sign and date within the window period even if the client is not present. The client would then sign and date the day they come to the clinic and there must be a corresponding note indicating the interaction. Please remember that the billing for each activity is billed according to the service provided and the documentation must relate to the *mental health* needs of the client.
- 14. Intake clinicians are to complete page 1 and 3 of the CCCP during the intake process. The corresponding intake note needs to be specify that the CCCP was begun with the client and that as services are provided, objectives will be developed.
- 15. On the CCCP, a client's long term goal should be in quotes. If the client is a child or if there is a significant other involved in the development of the Care Plan, long-term goals should be indicated for each. For CalWORKs clients, this should include an employment goal.
- 16. Barriers are obstacles that will prevent the client from being able to achieve their long-term goals. This can be both internal and external to the client. Additionally, these can be from the client's perspectives as well as from the service delivery staff. For CalWORKs clients, employability must be listed as a barrier.

17. Most clients receive MHS. If a client is truly a Meds./Case Management only case, this must be a treatment team decision that is clearly documented in a dispo. note and revisited during the annual window period. All CalWORKs clients receive MHS.
18. Objectives are only required for on-going services. TCM, MHS, and MEDS objectives are not required unless these services are being provided for more than 30 days.
19. Every rendering provider of an on-going service (> 30 days) must have an objective. If different types of services are being offered by the same individual (i.e. 1:1, Family Therapy, Collateral, Rehab., etc.) then separate objectives must be written as the *clinical interventions* would vary according to the type of service. Co-facilitated groups only need one objective but do need to indicate in the clinical interventions that it is a co-facilitated group.
20. For every date on the "objective" page of the CCCP (the continuation page) there must be a corresponding signature on page 2 (the cluster signature page.)
21. Clients must be offered a copy of their CCCP. If a copy is given, the client must initial and date on the cluster signature page. If the client declines a copy, this must be clearly documented in the progress note. **Please note:** this is a different directive than originally instructed at the CCCP trainings.
22. When cases are transferred between SFPR's, the new SFPR must sign the Coordination Plan page (page 3) of the CCCP. It is not necessary to cross out the 'contact' name on the grid. **DO NOT** cross out any *signatures* on the page as these were valid for the time the client was followed by the particular staff.
23. When coordinating services with another provider a joint Coordination Plan must be written:
 - a. For clients who are with another SFPR, ENKI would need to be added to the other provider's Coordination Plan and the cycle would follow the SFPR's cycle period. The SFPR would then fax the Coordination Plan to ENKI. ENKI staff must complete page 1 of the CCCP and objectives for all services being provide to the client and fax them to the SFPR.
 - b. For clients who have ENKI as an SPFR and receive services at another provider, the ENKI Coordination Plan must have the provider authorized for services. These services must follow the ENKI cycle date. Once added, the Coordination Plan would be faxed to the other provider. The provider in turn, must fax page 1 of the CCCP and any objectives they have with the client. (Please note: this is the directive from DMH although some providers only send objectives and do not complete page 1 of the CCCP.)

24. On the Coordination Plan (page 3) of the CCCP, the 'cycle date' means the date for the current cycle. For new clients with new cycles (no open services provided by another SFPR), it is the day of admission; for on-going clients it is the 1st day of the month of the new cycle. (Example: a client admitted on October 31, 2005 will have a cycle date of 10/31/05 on the Coordination Plan. Next year, the cycle date will be 10/1/06.)
25. On the Coordination Plan, the 'Date of face to face contact' should be during the window month. If the paperwork was started without the client present, there should be a progress note that matches the date it is signed by the SFPR and should explain why the client did not sign during the window period. (See # 13)
26. A client's annual cycle never changes for the duration of an open episode.
27. Start dates on the grid of the Coordination plan must coincide with the start date of a particular type of service (i.e. TCM, MHS, MEDS, DTT). The end date however will always follow the annual cycle period.
28. Day Treatment services must be authorized on the Coordination Plan in 6 month cycles that follow the annual cycle date. Do not match the dates on the DMH Day Treatment Authorization. Additionally, MHS must be discharged on the Coordination Plan upon a client entering Day Treatment.
29. IS Screens must be attached to the Dispo. Screening, the Initial Coordination Plan and subsequent Annual Coordination Plans. The only screens that should be in the chart are: 1. the Client Information Screen, 2. the "other" tab for SFPR information, 3. the open episode screen 4. the closed episode screen (must be printed even if there are no closed episodes.) **Only** these 4 screens should be printed and filed in the chart.

If you have any questions, please consult your immediate supervisor.

Cc: Corporate
Albert H. Urmer, Ph.D., President, EHRS
Alfredo B. Larios, LCSW, Vice President of Clinical Services
Laura Robles-Campos, PhD., Chief of Adult Services
Rosalba Trias-Ruiz, PhD., Chief of Youth and Family Services
M. Angelica Gonzalez, Ph.D., Director of Training/Staff Development
Lupe Rosales, Director of Administration
Clinic Managers
Site Administrators
Laura Rivera, Quality Assurance Specialist
Angie Garcia, Quality Assurance Specialist

Plan of Correction per Summary of Findings

1. Reviewed the client chart and noted that it did not contain an Annual Assessment Update as required by the LA County DMH Organizational Provider's Manual, revised 2005, page 2-8
 - Plan of Correction – ENKI uses a Utilization Tracking system to monitor the completion of 6 month and annual updates
2. Reviewed the Client Plan and noted that it did not contain the client and/or parent/guardian's signature or written explanation of the clients refusal or unavailability to sign as required by the MHP contract, exhibit A, Attachment 1, Appendix C
 - Plan of Correction – on-going training of staff to ensure accurate and timely completion of documentation *
3. Reviewed the progress notes and noted that the additional staff member's contribution is not discussed in the context of the mental health needs of the client, as required by the LA County DMH Organizational Provider's Manual, revised 2005 page 2-2
 - Plan of Correction – on-going staff training regarding the need to justify 2nd and 3rd staff's purpose and contribution for a given service *
4. Reviewed the Targeted Case Management note and determined that it did not describe linkage, consultations or placements services as required by the LA County DMH Organizational Provider's Manual, revised 2005 page 2-14
 - Plan of Correction – on-going staff training regarding the need document linkage, consultation, or placement services in all TCM notes *
5. The progress note does not describe what was attempted and/or accomplished by the individual or service staff toward client's goals (S), as required by the LA County DMH Organizational Provider's Manual, revised 2005, page 2-2
 - Plan of Correction – on-going staff training regarding documentation *
7. The Unit of Time (UOT) indicated in the Billing Report for the selected billing does not agree with the UOT indicated in the corresponding progress note, as required by CCR Title 9 Section 1840.316 and the LA County DMH Organizational Provider's Manual, revised 2005, page 2-2.
 - Plan of Correction – all progress notes are scanned for completion by Medical Records prior to submitting to data entry.
8. Reviewed the weekly schedule and interviewed Agency Management and staff and determined that the day treatment intensive programs do not exceed 4 hours excluding lunch breaks, as required by the LA County DMH Organizational Provider's Manual, revised 2005, page 4-8
 - Plan of Correction – DTI schedules have been revised and updated to reflect 4 hours of treatment and all breaks

* attached is a memo that was a follow-up to trainings conducted September and October 2005 where the above items had been discussed.